



**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**  
**David A. Stella**  
SECRETARY

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**CORRESPONDENCE MEMORANDUM**

**DATE:** October 19, 2010  
**TO:** Wisconsin Deferred Compensation Board  
**FROM:** Shelly Schueller, Director  
Wisconsin Deferred Compensation Program  
**SUBJECT:** Great-West Retirement Services Contract Amendment Proposal

**The Board is asked to approve an amendment, as described below, to the administrative services contract with Great-West Retirement Services (GWRS) for the Wisconsin Deferred Compensation Program (WDC).**

Based on results of the 2009 administrative services contract compliance audit and discussion with GWRS and audit firm staff, Department staff recommends the Board approve an amendment to the administrative services contract. The amendment would make two small changes to "Standard Operating Procedure for Enrollment Processing" as follows:

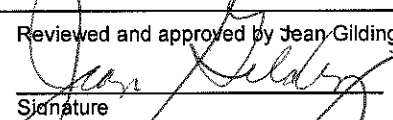
1. Clarify that GWRS is to establish participant accounts within five working days of receipt.
2. Indicate that GWRS is to transmit participant deferral information to the participant's employer on the next scheduled transmission date for that employer.

These proposed contract modifications would provide GWRS with clear operating procedure requirements that any future contract compliance audits could easily verify. The existing operating procedure does not take into account participant enrollment delays that could occur due to an employer's failure to take timely action. Consequently, in the 2009 contract compliance audit, the auditor and GWRS could not verify that GWRS met the requirement.

A draft contract amendment containing the proposed changes is attached to this memo for your consideration. If this recommendation is adopted, staff will finalize the contract amendment and GWRS and the Board Chair will sign it.

Staff will be available to discuss this recommendation with you on November 16, 2010.

Attachment

Reviewed and approved by Jean Gilding, Deputy Division Administrator  
  
Signature \_\_\_\_\_ Date 10/20/10

Board	Mtg Date	Item #
DC	11.16.10	10

**FIFTH AMENDMENT TO THE  
STATE OF WISCONSIN DEFERRED COMPENSATION PROGRAM  
ADMINISTRATIVE SERVICE CONTRACT BETWEEN  
THE STATE OF WISCONSIN DEFERRED COMPENSATION BOARD  
AND GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY**

This Fifth Amendment to the State of Wisconsin Deferred Compensation Program Agreement for Administrative Services Including Recordkeeping and Communications (hereinafter "THIRD AMENDMENT") made and entered into between the State of Wisconsin Deferred Compensation Board ("BOARD") and the Department of Employee Trust Funds ("DEPARTMENT") on behalf of the State of Wisconsin Deferred Compensation Program ("PLAN") and Great-West Life & Annuity Insurance Company ("GREAT-WEST") pursuant to Article 2.8 of the Agreement for Administrative Services Including Recordkeeping and Communications ("AGREEMENT") to amend the AGREEMENT between the parties.

**WHEREAS**, the BOARD and GREAT-WEST desire to acknowledge that proper application of the IRS Section 457 rules and inaction by employers may result in delays in the establishment of participant accounts necessitates a clarification of expectations for GREAT-WEST'S compliance with the performance standard related to the Enrollment Processing requirement of Exhibit 12: WDC Standard Operating Procedures.

**NOW, THEREFORE**, the parties hereby agree as follows:

1. Effective with the execution of this AMENDMENT, the Standard Operating Procedure for Enrollment Processing shall be repealed and restated as follows:

<b>2005 WDC RFP Citation</b>	<b>Requirement</b>	<b>Standard Operating Procedures</b>
Section C, Part 4.7	Enrollment Processing	Participant accounts will be established within five (5) working days upon receipt; deferral information will be transmitted to the employer on the next scheduled transmission date for the participant's employer.

2. Except for additional terms, conditions, and modifications contained in this FIFTH AMENDMENT, and any other modifications contained in this FIFTH AMENDMENT, all other terms of the AGREEMENT, including amendments thereto remain unchanged and shall continue to apply with respect to the AGREEMENT.

**IN WITNESS WHEREOF**, THE BOARD, ON BEHALF OF THE STATE OF WISCONSIN, AND GREAT-WEST HAVE EXECUTED TWO (2) ORIGINALS OF THIS FIFTH AMENDMENT EFFECTIVE THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2010.

**State of Wisconsin Deferred Compensation Board**

Name: Edward D. Main

Title: Deferred Compensation Board Chair

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*Witnessed by*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Great-West Life & Annuity Insurance Company**

Name: Gregory E. Seller

Title: Senior Vice President, Government Markets

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*Witnessed by*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_